

# WINSTAR

## RESOURCES LTD.

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2000 Annual Report

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## Annual Meeting

The Annual General Meeting of Shareholders will be held on  
June 27, 2001 at 11:00 a.m., in the offices of Macleod Dixon LLP,  
Suite 3700, 400 - 3rd Avenue S.W., Calgary, Alberta.

## Corporate Profile

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Winstar Resources Ltd. ("Winstar" or the "Company") is a publicly traded junior oil and gas company based in Calgary, Alberta. The Company's properties are located in Alberta.

Highlights for 2000 include:

- the implementation of natural gas conservation at Sturgeon Lake South, the resumption of shallower, sweet gas production, and the continued development of the property for Devonian oil and associated gas production via a farm out arrangement with Backer Petroleum Corp., at low risk to the Company;
- the farm out of a significant portion of the tie-in costs required to bring the Company's capped gas well at Rainbow Lake on production;
- the completion of a five for one stock consolidation and name change to Winstar Resources Ltd.;
- retirement of the Company's debt, primarily via the purchase of \$177,734 of debt from its former major shareholder, by three of the Company's directors;
- the subsequent conversion of the purchased debt into equity, and the purchase of 686,091 common shares of the Company from Backer Petroleum Corp. by the same three directors established a new control block, and increased ownership in the Company by directors and management to 45.2%;
- the issuance of 1,500,000 flow through common shares at \$0.25 per share raised \$375,000 of equity for further oil and gas exploration and development.

As a result of the above, Winstar has 6,204,417 common shares outstanding as of December 31, 2000.

During 2001, the Company plans to continue and pursue further development of its Sturgeon Lake South acreage as well as new drilling, acquisition or corporate amalgamation/merger opportunities. The new drilling and acquisition opportunities will initially be concentrated in central, southern and eastern Alberta where multi-zone, lower cost and lower risk opportunities exist within an area with established infrastructure and year round access. The first step along this path occurred on February 1, 2001, the effective date of a joint venture agreement with Cigar Oil & Gas Ltd., whereby Winstar will participate for 15% of new exploration or development prospects brought forth by Cigar.

Management changes as a result of the above-mentioned activities are:

- the resignation by Robert Wilson & David Ragan as officers of the Company on October 30, 2000;
- the appointment of James E. Young as President and CEO on October 30, 2000;
- the resignation of Mr. Young as an officer of the Company and the reappointment of Mr. Wilson as President and CEO effective January 24, 2001, concurrent with the execution of the joint venture agreement with Cigar Oil & Gas Ltd.



## Report to Shareholders

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The Company's four gross (0.8 net) oil and gas wells at Sturgeon Lake South produced approximately 33 barrels of oil equivalent per day (boepd) net to Winstar during 2000, resulting in net cash flow of \$182,236, or 5.3¢ per share. Commensurate with most of the industry, the Company has moved to a conversion rate of 1 boe per 6 thousand cubic feet (mcf) of natural gas. The Company's production ratio for 2000 was 54% oil and natural gas liquids, and 46% natural gas.

The investment in Sturgeon Lake gas conservation that was made during 1999 yielded significant benefits during 2000. Previously flared solution gas produced with the oil was subsequently gathered and sold. In addition, a shallow gas well was reworked and placed on production in May of 2000. The net result was natural gas sales of 70 mcf/d (11.5 boepd) and natural gas liquid sales of 3.5 barrels per day (bpd) net to Winstar during 2000 generating \$155,000 in net sales after royalty.

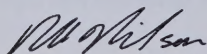
Two wells in which Winstar retained a 3.3334% working interest participation plus its GOR were drilled during the first quarter of 2000. One well was cased to the Leduc, although the subsequent completion was unsuccessful and the well remains suspended pending abandonment. The second well was a dry hole and was abandoned.

During 2001, the Company anticipates additional seismic will be conducted to better define Leduc - Nisku drilling targets, as well as the recompletion of several shallower gas targets that have been identified in existing wellbores in which the Company holds a working interest. Recompletion activity is expected to commence during the second quarter of 2001.

Late in 2000, Winstar farmed out a substantial portion of the costs required to tie-in and equip its operated gas well located in the Rainbow Lake area of northwestern Alberta. The agreement required the farmee companies to pay 73% of the estimated \$600,000 costs, and the Company retained a 48% working interest in the well before payout, reverting to a 77.5% working interest after payout. The well was placed on production in late February 2001 at the rate of 1.4 mmcf/d of raw natural gas with 15 bpd of associated condensate. During March, the well produced 23 days yielding Winstar approximately 70 boepd in net natural gas and condensate sales.

Effective February 1, 2001, the Company entered into a joint venture agreement with Cigar Oil & Gas Ltd. ("Cigar"), whereby Winstar will participate for 15% of any new exploration or development opportunities developed by Cigar. Coincident with the joint venture agreement, Mr. James E. Young resigned as President of Winstar (October 30, 2000 to January 24, 2001) and was appointed Vice President Exploration for Cigar. This arrangement will present the Company with opportunities that would not otherwise be available to it.

On behalf of the Board of Directors,



Robert A. Wilson  
President and CEO

April 25, 2001

## The Year in Review

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During 2000, Winstar recorded a positive cash flow of \$182,236 on gross revenues of \$382,669 net of royalties. Operating expenses of \$104,574, General & Administrative costs of \$83,919, Interest charges of \$16,435, Depletion expense of \$143,957 and Future Income Tax Recovery of \$2,139 resulted in a net income of \$40,418 compared to a net loss of \$47,808 for 1999.

### CAPITAL SPENDING

Capital spending during 2000 was as follows:

Land disposition	\$ (132,356)
Drilling and completion	\$ 153,821
Lease, well & pipeline	\$ 251,986
Geology & geophysics	\$ 127,807
	<hr/>
Total	\$ \$401,258
	<hr/>

### PRODUCTION

The Company had two producing oil wells and one producing gas well at the end of 2000 from which the Company's working interest averaged 33 boepd during the year (using the conversion ratio of 1 boe per 6 mcf).

### LAND

At December 31, 2000, the Company had interests in 8149 gross acres (2853 net acres) of mineral leases all of which were in northern and west central Alberta.

### OIL AND GAS PROPERTIES

#### Sturgeon Lake

This west central Alberta property was Winstar's only producing property during 2000. Production averaged 33 boepd net to the Company during the year. Oil sales averaged 18 barrels per day with natural gas sales contributing 70 mcf, or 12 boepd and natural gas liquids contributing 3 barrels per day. This compares to 31 barrels of oil per day and no natural gas or natural gas liquid sales during 1999. The Company had no natural gas production during 1999.

Two wells in which Winstar retained a 3.3334% working interest participation plus its GOR were drilled during the first quarter. The completion attempts in one well were unsuccessful and the well remains suspended pending abandonment. The second well was abandoned. No further drilling activity was undertaken during 2000. Subsequent to completing a proposed three-dimensional seismic survey, the Company anticipates that one or two additional development wells will be drilled 2001. The main target is



## **The Year in Review cont'd**

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the Leduc reef complex that, since 1967, has produced over 1 million barrels of oil from five nearby oil wells located on the Company's lands. Three of these wells are now suspended or abandoned while the remaining two averaged a total of 77 boepd during the year. Two of these wells have also produced almost 90,000 barrels of oil equivalent from the Nisku, providing a good secondary target with substantial initial production volume potential.

Shallower uphole gas opportunities have been identified in several of the Company's wells. It is anticipated that workover activities in two to three existing wellbores will take place during the second quarter of 2001. Winstar proposes to participate for its entire working interest in these lower risk, gas recompletion opportunities.

Winstar holds a 23.3334% working interest in these lands and, as a method of risk management, proposes to both participate and farmout a share of its interest in any new drilling.

### **Zama Lake**

During the first quarter, the Company completed the abandonment of two well bores at Zama. No further activity is planned for this area.

### **Virginia Hills**

During the first quarter, the Company disposed of its interests in this area.

### **Rainbow South**

In the last quarter of 2000, Winstar farmed out an interest in the Company's capped gas well located at 6-2-107-11 W6M. The agreement required the farmee companies to pay 73% of the costs to tie-in and equip the well to earn a 52% working interest in the well before payout, reverting to a 22.5% working interest after payout. The Company retained a 48% working interest before payout reverting to a 77.5% working interest after payout. The well was placed on production in February 2001 at the rate of 1.4 mmcf of natural gas and 15 bpd condensate. This rate yields about 70 boepd in sales of gas and condensate before payout and 113 boepd after payout.

## **INCOME TAX HORIZON**

The Company has \$489,359 non-capital losses carry forward plus income tax pools of \$1,050,674, which can be used to reduce future taxable income.

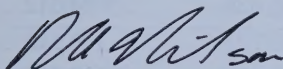
## **BANK DEBT**

The Company had no bank debt as of December 31, 2000.

## Management's Report

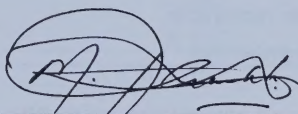
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The annual report and financial statements have been prepared by management and approved by the Board of Directors. The financial statements have been prepared in accordance with generally accepted accounting principles. Management acknowledges responsibility for the fairness, integrity and objectivity of all financial information contained in the annual report, including the financial statements.



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Robert A. Wilson  
President & Chief Executive Officer



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M. H. (Mike) Shaikh  
Secretary & Chief Financial Officer

## Auditors' Report

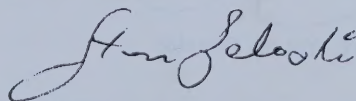
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### TO THE SHAREHOLDERS OF WINSTAR RESOURCES LTD.

I have audited the balance sheets of Winstar Resources Ltd. as at December 31, 2000 and 1999 and the statements of operations and deficit and changes in cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2000 and 1999 and the results of its operations and changes in its cash flows for the years then ended in accordance with generally accepted accounting principles.



STAN PELOSKI  
Chartered Accountant

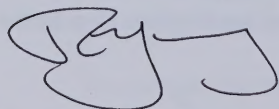
Calgary, Alberta  
May 7, 2001



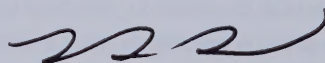
## Balance Sheet

AS AT DECEMBER 31,	2000	1999
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 364,770	\$ 6,966
Accounts receivable	108,366	24,967
Prepaid expenses	52,635	74,612
	525,771	106,545
<b>Petroleum and natural gas properties, net (Note 4)</b>	2,140,003	1,893,226
	<b>\$ 2,665,774</b>	<b>\$ 1,999,771</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 323,894	\$ 218,918
Bank debt (Note 5)	-	35,000
	323,894	253,918
<b>Provision for future income tax (Note 7)</b>	257,414	-
<b>Provision for site restoration</b>	15,670	10,656
	596,978	264,574
<b>Shareholders' equity</b>		
Share capital (Note 6)	2,461,585	1,908,851
Deficit	(392,789)	(173,654)
	2,068,796	1,735,197
	<b>\$ 2,665,774</b>	<b>\$ 1,999,771</b>

Signed on behalf of the Board:



James E. Young, Director



Larry D. Baker, Director

The accompanying notes to financial statements are an integral part of this balance sheet.



## Statements of Operations and Deficit

FOR THE YEARS ENDED DECEMBER 31	2000	1999
<b>Revenue</b>		
Petroleum and natural gas sales, net of royalties	\$ 382,669	\$ 213,537
Alberta royalty tax credit	392	673
Interest	4,103	246
	387,164	214,456
<b>Expenses</b>		
Operating	104,574	120,347
General and administrative	83,919	48,868
Interest	16,435	6,909
Depletion	143,957	86,140
	348,885	262,264
Income (loss) before future income taxes	38,279	(47,808)
Future income tax recovery (Note 7)	2,139	-
<b>Net income (loss)</b>	40,418	(47,808)
Deficit, beginning of year	(173,654)	(125,846)
Adjustment for change in accounting policy (Note 3)	(259,553)	-
Deficit, end of year	\$ (392,789)	\$ (173,654)
<b>Net income (loss) per share, basic and fully diluted (Note 6(b))</b>	\$ 0.01	\$ (0.01)

The accompanying notes to financial statements are an integral part of this statement.

## Statements of Changes in Cash Flows

FOR THE YEARS ENDED DECEMBER 31	2000	1999
<b>Operating activities</b>		
Net income (loss)	\$ 40,418	\$ (47,808)
Add non-cash items		
Future income tax recovery (Note 7)	(2,139)	-
Depletion	143,957	86,140
Cash flow from operations	182,236	38,332
Net change in non-cash working capital (Note 11)	(125,786)	(27,880)
	56,450	10,452
<b>Financing activities</b>		
Decrease in long-term debt	-	(100,000)
Issuance of common shares	552,734	-
	552,734	(100,000)
<b>Investing activities</b>		
Disposition of petroleum and natural gas properties	15,537	220,000
Purchase of petroleum and natural gas properties (Note 4)	(401,258)	(142,072)
Net change in non-cash working capital (Note 11)	134,341	-
	(251,380)	77,928
Increase (decrease) in cash	357,804	(11,620)
<b>Cash, beginning of year</b>	6,966	18,586
<b>Cash, end of year</b>	\$ 364,770	\$ 6,966
Cash flow from operations per share, basic & fully diluted (Note 6(b))	\$ 0.05	\$ 0.01

The accompanying notes to financial statements are an integral part of this statement.



# Notes to Financial Statements

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## 1. INCORPORATION

The Corporation was incorporated as 679601 Alberta Inc. under the laws of the Province of Alberta on January 2, 1996. On February 15, 1996 the Corporation filed Articles of Amendment and changed its name to Virginia Energy Corporation. In May 2000, shareholders approved a name change for the Corporation to Winstar Resources Ltd. The Corporation is engaged in the exploration and development of petroleum and natural gas properties.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation have been prepared in accordance with accounting principles generally accepted in Canada which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the reporting date and the reported amounts of revenues and expenses for the reporting periods. The more significant of these accounting policies are the following:

### (a) *Petroleum and natural gas properties*

The Corporation follows the full cost method of accounting whereby all costs associated with the exploration for and development of petroleum and natural gas reserves are capitalized into a single Canadian cost centre and charged against earnings as set out below. Such costs include lease acquisition, geological and geophysical, carrying charges of non-producing properties and costs of drilling both productive and non-productive wells and related overhead charges.

Gains or losses are not recognized upon disposition of petroleum and natural gas properties unless crediting the proceeds against accumulated costs would result in a change in the rate of depletion of 20% or more.

Depletion is provided on costs accumulated in a producing cost centre using the unit of production method. For purposes of the depletion calculation, gross proved petroleum and natural gas reserves, as determined by outside consultants, are converted to a common unit of measure on the basis of their approximate energy content.

The Corporation periodically reviews the costs associated with unproved properties and preproduction stage cost centres to determine whether they are likely to be recovered. When costs are not likely to be recovered, an impairment allowance is made.

The net carrying costs of the Corporation's petroleum and natural gas properties in producing the cost centre is limited to an estimated recoverable amount. This amount is the aggregate of future net revenues from proved reserves and the costs of undeveloped properties, net of impairment allowances, less future general and administrative costs, financing costs, future site restoration costs and income taxes. Future net revenues have been calculated using prices in effect at the Corporation's year-end without escalation or discounting.

## Notes to Financial Statements cont'd

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**(b) Joint venture accounting**

Substantially all of the Corporation's petroleum and natural gas exploration and production activities are conducted jointly with others and, accordingly, the accounts reflect only the Corporation's proportionate interest in such activities.

**(c) Future removal and site restoration costs**

Estimated future removal and site restoration costs are provided for over the life of the proved reserves on a unit-of-production basis. Costs are estimated by management in consultation with engineers based on current regulations, costs, technology and industry standards. The annual charge is included in depletion expense and actual future removal and site restoration expenditures are charged to the accumulated provision account as incurred.

**(d) Flow-through shares**

The deductions for income tax purposes of resource expenditures related to exploratory and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Future income tax liabilities and share capital issuance costs related to the renounced income tax deductions are recorded when eligible resource expenditures are incurred.

**(e) Revenue recognition**

Revenues associated with sales of natural gas, natural gas liquids and crude oil owned by the Corporation are recognized when title passes from the Company to its customer.

**(f) Income taxes**

Income taxes are calculated using the liability method of tax accounting. Temporary differences between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. Temporary differences arising on acquisitions result in future income tax liabilities or assets.

**(g) Per share data**

Net income (loss) per share is calculated based on the weighted average number of common shares outstanding during the year. The weighted average number of common shares outstanding during the year (after 5:1 share consolidation) is 3,491,325 (1999 – 3,223,300). Fully diluted net loss per share was not disclosed in 1999 as the effects of the assumed share purchase options and warrants as disclosed in Note 6(d) and (e) would be anti-dilutive.



## Notes to Financial Statements cont'd

### (h) Stock options

The consideration received from the option holder upon the exercise of a stock option is credited to share capital at the date of exercise with no compensation expense recognized at the time the stock option is issued or exercised.

### 3. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2000, the Corporation changed accounting policies to retroactively adopt without restatement of the 1999 financial statements the liability method of accounting for income tax as recommended by the Canadian Institute of Chartered Accountants "CICA". Under this method, the Corporation records future income taxes based on the difference between the accounting and income tax value of an asset or liability. The Corporation adopted the recommendation by recording an increase in the opening deficit of \$259,553 and an equal increase in future income tax liability.

### 4. PETROLEUM AND NATURAL GAS PROPERTIES

For the years ended December 31		2000		1999
	Cost	Accumulated Depletion	Net Book Value	Net Book Value
Leases and rights	\$2,104,147	\$ 469,161	\$ 1,634,986	\$ 1,586,873
Lease and well equipment	566,626	61,609	505,017	306,353
	\$2,670,773	\$ 530,770	\$ 2,140,003	\$ 1,893,226

During 2000, the Corporation acquired for cash \$401,258 (1999 - \$142,072) of capital assets related primarily to petroleum and natural gas (P&NG) properties and equipment.

Costs associated with unproven properties excluded from costs subject to depletion for 2000 totalled \$ nil (1999 - \$420,353).

### 5. LONG-TERM DEBT

	2000	1999
Revolving reducing demand loan	\$ -	\$ 35,000
Less, current portion	-	35,000
	\$ -	\$ -

## Notes to Financial Statements cont'd

The National Bank of Canada credit facility bears interest at the bank's prime rate plus 1 ½% per annum (8% at December 31, 1999). The loan is secured by a general assignment of book debts and a general security agreement over all assets.

### 6. SHARE CAPITAL

#### (a) *Authorized:*

Unlimited number of voting common shares  
Unlimited number of first preferred shares  
Unlimited number of second preferred shares

The first and second preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series.

#### (b) *Issued:*

<b>Issued and outstanding common shares</b>	<b>Number of Shares</b>	<b>Amount</b>
Balance as at December 31, 1999	16,116,499	\$ 1,908,851
Consolidation 5 : 1	(12,893,199)	
Private placement of common flow-through shares for cash	1,500,000	375,000
Private placement of common shares in exchange for debt held by directors	1,481,117	177,734
Balance as at December 31, 2000	6,204,417	\$ 2,461,585

At the Corporation's annual and special meeting the shareholders approved a five (5) for one (1) share and options consolidation and name change to Winstar Resources Ltd. Prior year earnings and cash flow per share have been restated to reflect the share consolidation.

#### (c) *Private Placements*

During the year, the Corporation issued flow-through shares with renouncement obligations of \$375,000. Qualified capital expenditures planned for 2001 will be used to meet these renouncement obligations.

During the year, the Corporation issued 1,481,117 common shares to directors at \$.12 per share to retire corporate debt and accrued interest for an aggregate amount of \$177,734 held by the directors.



## Notes to Financial Statements cont'd

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### **(d) Stock Options**

The Corporation has an Employee Incentive Stock Option plan ("Plan") that is administered by the Board of Directors of the Corporation. All directors, officers, employees and certain consultants are eligible to participate in the Plan. Under the terms of the Plan, the Corporation has reserved an amount of Class A common shares for options equal to 10% percent of the issued and outstanding shares of the Corporation. The maximum option term is 5 years, options are non-assignable and non-transferrable and options vest on issuance.

During the year no options were exercised, 120,000 (after 5:1 conversion) options at a price of \$1.00 expiring June 30, 2002 were cancelled and 207,300 at a price of \$.12 per share, expiring October 30, 2005, were issued

Number of stock options	Exercise price per share	Expiry date
40,000	\$0.50	April 22, 2001
75,000	\$0.50	June 30, 2004
207,330	\$0.12	October 30, 2005

### **(e) Warrants**

Pursuant to a Private Placement completed October 16, 1998, the Corporation issued 1,000,000 share purchase warrants on pre-consolidation basis. Each share purchase warrant entitles the holder to acquire one common share at a price of \$0.10 until October 16, 2000. None of these warrants were exercised.

## Notes to Financial Statements cont'd

### 7. FUTURE INCOME TAXES

The difference between the accounting value and the income tax value of the Corporation's assets and liabilities, which comprise the future tax liability, are as follows:

#### Future income tax liabilities

Capital assets, including related site restoration  
and tax loss carry forwards

\$ 259,553

Income tax recovery

(2,139)

Net future income tax liability

\$ 257,414

The future income tax provision differs from the expected amount computed by applying the Canadian combined Federal and Provincial income tax rate of 44.34% as follows:

	2000	1999
Computed expected payable (recovery)	\$16,973	\$ (21,179)
Increase (decrease) in taxes resulting from the following:		
Crown royalties, net of Alberta royalty tax credit & other non deductible expense	2,900	1,568
Resource allowance	(22,012)	(17,426)
Excess of depletion over tax deductions	-	30,909
Other, Capital financing costs	-	(25,315)
Losses for which no tax benefit is recorded	-	31,443
Recovery of future income taxes	\$ (2,139)	\$ -
Income taxes paid	\$ -	\$ -

The Corporation has incurred income tax losses, which are available to offset income from operations to the extent of \$ 489,359. The losses expire in the following years:

2003	\$ 78,535
2004	\$ 97,146
2005	\$124,285
2006	\$ 70,978
2007	\$118,415

At December 31, 2000, the Corporation had net book value in excess of income tax pools in the amount of \$1,089,330 (1999 - \$1,027,872).



## Notes to Financial Statements cont'd

### 8. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2000, the Corporation incurred consulting and professional fees with companies controlled by directors of the Corporation in the amount of \$6,119 (1999 - \$11,070) as follows:

	2000	1999
Consulting fees	\$ -	\$ 7,500
Professional fees	6,119	3,570
	<u>\$ 6,119</u>	<u>\$ 11,070</u>

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Directors and officers of the Corporation repaid in full outstanding debt and accrued interest of \$177,734 to Backer Petroleum Corp. and received shares of the Corporation in exchange as summarized in note 6 (c).

### 9. FINANCIAL INSTRUMENTS

The Corporation's financial instruments that are included in the balance sheet are composed of accounts receivable, prepaid expenses and current liabilities.

#### (a) *Fair values of financial assets and liabilities*

The fair values of financial instruments (current assets, accounts payable and accrued liabilities and bank debt) that are included in the balance sheet approximate their carrying amount due to the short-term maturity of those instruments.

#### (b) *Credit risk*

Virtually all of the Corporation's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risks.

#### (c) *Interest rate risk*

The Corporation is also exposed to interest rate risk with respect to its bank credit facility. Interest thereon is charged at a rate based on prime plus per annum and is accordingly subject to fluctuation.

## Notes to Financial Statements cont'd

### 10. INTEREST PAID

	2000	1999
Cash interest paid	\$ 16,435	\$ 6,909

### 11. CHANGES IN NON-CASH WORKING CAPITAL

	2000	1999
Accounts receivable	\$ (83,398)	\$ (15,272)
Prepaid expenses	21,977	(4,855)
Accounts payable and accrued liabilities	104,976	17,247
Bank debt	(35,000)	(25,000)
	\$ 8,555	\$ 27,880
Operating	\$ (125,786)	\$ (27,880)
Investing	134,341	-
	\$ 8,555	\$ (27,880)

# Corporate Information

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## Head Office

Winstar Resources Ltd.  
650, 840 - 6<sup>th</sup> Avenue S.W.  
Calgary, Alberta, Canada T2P 3E5

Phone: (403) 205-3722  
Fax: (403) 205-2722

## Board of Directors

Larry D. Baker  
David S. Ragan<sup>1</sup>  
M.H. (Mike) Shaikh<sup>1,2</sup>  
Robert A. Wilson<sup>1</sup>  
James E. Young<sup>2</sup>

## Officers

Robert A. Wilson  
President & Chief Executive Officer

M.H. (Mike) Shaikh  
Secretary & Chief Financial Officer

## Auditors

Stan Peloski  
Chartered Accountant  
Calgary, Alberta

## Solicitors

Macleod Dixon LLP  
Calgary, Alberta

## Bankers

National Bank of Canada  
Calgary, Alberta

## Stock Exchange Listing

Canadian Venture Exchange  
Symbol "WRL"

- Notes:**
1. Members of the Audit Committee
  2. Members of the Compensation Committee

# Abbreviations

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bbls	barrels		
boe	barrel of oil equivalent of natural gas and crude oil on the basis of one barrel of crude oil for six thousand cubic feet of natural gas (this conversion factor is not based on either energy content or current prices)		
bopd	barrels of oil per day		
boepd	barrels of oil equivalent per day		
mbbl	thousand barrels	APO	after payout
mcf	thousand cubic feet	BPO	before payout
mcpd	thousand cubic feet per day	\$M	thousand of dollars
mmcf	million cubic feet	MSTB	thousand stock tank barrels
mmcpd	million cubic feet per day	NPV	Net Present Value



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